

**OFFICE OF THE UNITED STATES TRUSTEE - REGION 3**  
**POST-CONFIRMATION QUARTERLY SUMMARY REPORT**

This Report is to be submitted for all bank accounts that are presently maintained by the post confirmation debtor.

Debtor's Name: Zayat Stables, LLC Bank: Bank of America  
Bankruptcy Number: 10-13130 Account Number: 9504647669  
Date of Confirmation: 7/15/10 Account Type: Checking  
Reporting Period (month/year): 06/2011

Beginning Cash Balance: \$ 7,118

All receipts received by the debtor:

Cash Sales: \$1,949,917  
Collection of Accounts Receivable: \$ 0  
Proceeds from Litigation (settlement or otherwise): \$ 0  
Sale of Debtor's Assets: \$ 0  
Capital Infusion pursuant to the Plan: \$ 870,000  
Total of cash received: \$2,819,917

Total of cash available: \$2,827,035

Less all disbursements or payments (including payments made under the confirmed plan) made by the Debtor:

\*\*Disbursements made under the plan, excluding the administrative claims of bankruptcy professionals: \$ 115,647

Disbursements made pursuant to the administrative claims of bankruptcy professionals: \$ 0

All other disbursements made in the ordinary course: \$2,326,081

Total Disbursements \$2,441,728

Ending Cash Balance \$ 385,307

Pursuant to 28 U.S.C. Section 1746(2), I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

\*\*Note: Disbursements made to Fifth Third Bank under the plan were disbursed from an escrow account and not through the checking account.

Date \_\_\_\_\_ Name/Title \_\_\_\_\_  
Debtor: \_\_\_\_\_  
Case Number: \_\_\_\_\_

*Signature*  
Chairman & CEO

Aug 12, 2011

Assets	MONT,H	MONTH
	June 30, 2011	
Cash (Unrestricted)	\$ 463,914.11	
Cash (Restricted)		
Accounts Receivable (Net)	482,252.41	
Inventory		
Notes Receivable		
Prepaid Expenses		
Track accounts		
<i>Total Current Assets</i>	946,166.52	
<b>Property, Plant &amp; Equipment</b>		
Real Property & Improvements		
Machinery & Equipment		
Furniture, Fixtures & Office Equipment	13,479.42	
Bloodstock	24,719,282.41	
Leasehold Improvements		
Less: Accumulated Deprec/Depletion	(20,846,862.86)	
<i>Total Property, Plant &amp; Equipment</i>	3,885,898.97	
Loans receivable	3,000.00	
Security deposit	10,031.88	
<i>Total Assets</i>	\$ 4,845,097.37	
<b>Liabilities Not Subject to Compromise (Postpetition Liabilities)</b>		
Accounts Payable	\$ 1,615,399.11	
Taxes Payable		
Loan Payable - Keeneland	1,984,500.00	
Professional Fees		
Secured Debt	28,152,242.46	
Due to Affiliates & Insiders		
Other (Attach List)		
<i>Total Postpetition Liabilities</i>	\$31,752,141.57	
<b>Liabilities Subject to Compromise (Prepetition Liabilities)</b>		
Secured Debt - Per Plan		
Priority Debt - Per Plan		
Unsecured Debt - Per Plan	872,744.11	
Other (Attach List) - Per Plan		
<i>Total Prepetition Liabilities</i>	872,744.11	
<i>Total Liabilities</i>	32,624,885.68	
<b>Equity</b>		
Common Stock		
Retained Earnings (Deficit)	(27,779,788.31)	
<i>Total Equity (Deficit)</i>		
<i>Total Liabilities &amp; Owners' Equity</i>	\$ 4,845,097.37	

**OFFICE OF THE UNITED STATES TRUSTEE - REGION 3**  
**POST-CONFIRMATION QUARTERLY SUMMARY REPORT**

This Report is to be submitted for all bank accounts that are presently maintained by the post confirmation debtor.

Debtor's Name: Zayat Stables, LLC

Bank: Fifth Third Bank

Bankruptcy Number: 10-13130

Account Number: 7380727409

Date of Confirmation: 7/15/2010

Account Type: Checking

Reporting Period (month/year): 06/2011

Beginning Cash Balance: \$ 15,265

All receipts received by the debtor:

Transfers: \$ 216,932

Collection of Accounts Receivable: \$ 0

Proceeds from Litigation (settlement or otherwise):  
\$ 0

Sale of Debtor's Assets: \$ 0

Capital Infusion pursuant to the Plan: \$ 0

Total of cash received: \$ 216,932

Total of cash available: \$ 232,197

Less all disbursements or payments (including payments made under the confirmed plan) made by the Debtor:

Disbursements made under the plan, excluding the administrative  
claims of bankruptcy professionals: \$ 0

Disbursements made pursuant to the administrative claims of  
bankruptcy professionals: \$ 0

All other disbursements made in the ordinary  
course: \$ 155,506

Total Disbursements \$ 155,506

Ending Cash Balance \$ 76,691

Pursuant to 28 U.S.C. Section 1746(2), I hereby declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Date \_\_\_\_\_ Name/Title \_\_\_\_\_

Debtor: \_\_\_\_\_

Case Number: \_\_\_\_\_

**ZAYAT STABLES, LLC****Balance Sheet****As of June 30, 2011****ASSETS****Current Assets****Cash:**

Bank of America	\$ 385,306.69
Cash/Fifth Third Bank	76,690.90
Cash/Tampa Bay downs	(100.00)
Cash/Woodbine Entertainment	<u>2,016.52</u>

Total Cash 463,914.11

**Other Current Assets:**

Proceeds Receivable	8,486.95
Stud Fee Receivables	<u>473,765.46</u>

Total Other Current Assets 482,252.41

Total Current Assets 946,166.52

**Fixed Assets:**

Accumulated Depreciation	(20,846,862.86)
Broodmares	7,381,564.07
Foals (2004)	78,751.00
Foals (2005)	1,713,705.00
Foals (2006)	2,285,000.00
Foals (2007)	760,001.00
Foals (2008)	2,605,001.00
Foals (2009)	3,608,200.00
Foals (2010)	165,014.00
Foals (2011)	19.00
Stallions	6,116,463.34
Z - Office Equipment	12,379.22
Z - Office Furniture	<u>6,664.20</u>

Fixed Assets, net 3,885,898.97

**Other Assets**

Loan Receivable - Ronald Willia	3,000.00
Rent Security	<u>10,031.88</u>

Total Other Assets 13,031.88

**TOTAL ASSETS** \$ 4,845,097.37

**ZAYAT STABLES, LLC**

**Balance Sheet**

**As of June 30, 2011**

**LIABILITIES & MEMBER'S EQUITY**

Liabilities

Current Liabilities

Accounts Payable before Feb-2 \$ 872,744.11

Accounts Payable from Feb-2 1,615,399.11

Other Current Liabilities 2,488,143.22

Long Term Liabilities

Loan Payable - Keeneland 1,984,500.00

Loan Payable - Fifth Third Bank 28,152,242.46

Total Long Term Liabilities 30,136,742.46

Total Liabilities 32,624,885.68

Member's Equity

Capital 43,731,026.78

Retained Earnings (68,740,248.48)

Net Loss - Prior Period (1,703,313.72)

Net Loss - Current Period (1,067,252.89)

Total Member's Equity (27,779,788.31)

**TOTAL LIABILITIES & MEMBER'S EQUITY** \$ 4,845,097.37

**ZAYAT STABLES, LLC**  
**Statement of Operations**  
**For the Period April 1, 2011 through June 30, 2011**

<b>Ordinary Income/Expense</b>	
Income	
Racing Income	\$ 1,897,934.85
Sales Income	<u>461,981.82</u>
Total Income	<u>2,359,916.67</u>
Cost of Goods Sold	
Cost of Horses Sold	1,472,435.00
Depreciation Recapture	<u>(1,217,190.33)</u>
Total Cost of Goods Sold	<u>255,244.67</u>
<b>Gross Profit</b>	<u>2,104,672.00</u>
Expense	
Administration Expenses	50,813.51
Commissions	34,500.00
Depreciation	225,506.50
Insurance	185,430.12
Interest Expense	173,553.81
Payroll Expenses	204,015.10
Professional Fees	25,608.33
Racing Expenses	418,758.97
Sales Expenses	27,299.41
Tax Expense	17,007.55
Training, Vet and Board	1,187,396.49
Transportation of Horses	94,382.26
Travel Expenses	<u>433,587.84</u>
Total Expense	<u>3,077,859.89</u>
<b>Net Ordinary Loss</b>	(973,187.89)
<b>Other Income/Expense</b>	
Bad Debts - Loans	<u>(94,065.00)</u>
<b>Net Loss</b>	<u><u>\$ (1,067,252.89)</u></u>

**ZAYAT STABLES, LLC**  
**Statement of Cash Flows**  
**For the Period April 1, 2011 through June 30, 2011**

Reconciliation of net loss to net cash used in operating activities:

Net Loss	\$ (1,067,253)
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Adjustments to Reconcile net income to net cash used in operating activities:

Depreciation	225,506
Loss on sale of horses	124,364

Changes in Operating Assets and Liabilities:

Increase in proceeds receivable	(410,000)
Increase in accounts payable	475,113

Net Cash Used in Operating Activities	<u>(652,270)</u>
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Cash Flows from Investing Activities:

Decrease in loans receivable	94,065
Proceeds from sale of horses	130,875

Net Cash Provided by Investing Activities	<u>224,940</u>
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Cash Flows from Financing Activities:

Capital contributions from member	870,000
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Net Cash Provided by Financing Activities	<u>870,000</u>
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Net Increase in Cash	442,670
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Cash - Beginning of Period	<u>21,244</u>
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Cash - End of Period	<u><u>\$ 463,914</u></u>
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